

**DEPARTMENT OF INSURANCE****Legal Division, Office of the Commissioner**

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Date: August 12, 2004

**NOTICE**

To: ALL ADMITTED INSURERS LICENSED FOR CLASS 9 WORKER'S  
COMPENSATION INSURANCE

Subject: REQUIRED MEETING TO PRESENT NEW WORKER'S  
COMPENSATION BUSINESS PLANS

Pursuant to the authority set forth in Insurance Code section 12921.5, the Insurance Commissioner directs that any insurer admitted for Class 9 worker's compensation insurance that anticipates commencing writing worker's compensation insurance in California contact the Insurance Department's Financial Analysis Division ("FAD") in Los Angeles prior thereto. The insurer should arrange a meeting with appropriate staff of the department to discuss the insurer's proposed entry or re-entry into the worker's compensation market. Similarly, any insurer admitted for Class 9 worker's compensation insurance that anticipates writing Professional Employer Organizations (PEOs) or employers engaged in employee leasing should also contact FAD in Los Angeles and arrange a meeting prior to writing such worker's compensation business.

Insurance companies subject to this notice should prepare for the meeting by developing a business plan that includes three year financial projections with detailed assumptions using optimistic and pessimistic scenarios. Company representatives attending the meeting should be sufficiently knowledgeable to answer questions posed by staff.

Contact Robert Loo, Financial Analysis Division at (213)-346-6389 to arrange a meeting with the Department or if you have any questions regarding this notice.

Gary Cohen  
Deputy Commissioner and General Counsel  
Legal Division

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